

The gap between
consumer attitudes and
purchase behaviour of
eco-friendly products
Executive Summary

*Source: Emerging consumer attitudes towards
environmental products (October 2010), commissioned
by the Faculty of Business and Economics, Macquarie
University with external consultants Touchstone Research*



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Panasonic

MACQUARIE
UNIVERSITY
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The logo for Macquarie University, featuring a stylized red and white graphic element resembling a flame or a leaf.

CONTENTS

The Study	4
Key findings	6
Discussion	8



Tim Flannery

Macquarie University's Professor Tim Flannery, an internationally acclaimed Australian scientist, explorer and conservationist and Australian of the Year in 2007, has been appointed as the inaugural chair of the Panasonic Chair in Environmental Sustainability.

"Panasonic's support will help us pursue new and important areas of research and public education. As such, it is of vital importance to Macquarie University."

Introduction

As part of its global commitment to environmentally responsible manufacturing, Panasonic Australia is supporting Macquarie University in conducting independent research into environmental sustainability and consumer behaviour.

Panasonic Australia is rated by renowned agency Interbrand as one of the top 100 brands in the world because of its "continued progress in reducing the environmental impact of its business activities." The commitment to energy efficiency and ecology was part of the vision of Japanese industrialist Konosuke Matsushita when he started the company in Osaka, Japan at the age of 23. Matsushita's belief was that an enterprise which uses society's resources should serve society in return.

Some 80 years on, this business philosophy is exemplified by the company's sponsorship of the Panasonic Chair in Environmental Sustainability within Macquarie University's Science Faculty, a position currently held by prominent environmental scientist Professor Tim Flannery. The sponsorship arrangement enables Macquarie University to conduct independent research projects, including this report focussing on the apparent disconnect between consumer values and attitudes towards making 'green' choices and actual purchasing behaviour.

The Study

This research explored pro-environmental purchase behaviour across four retail electronic product categories. The aim was to understand what drives consumers towards a more environmentally mindful purchase and why purchase behaviour does not appear to match the level of concern that consumers show towards the environment.

A total of 2000 Australian consumers completed an online survey for one of four product categories, namely: televisions, digital cameras, air conditioners and washing machines. The survey imitated a typical shopping situation where consumers are faced with a range of similar brands, each containing a slightly different bundle of features, for example, a Panasonic air conditioner priced at \$2000 with eco-features. Respondents rated how likely they were to purchase 18 different products, each combining one of three actual brand options, one of three realistic price points and whether or not eco-features were included, such as reduced energy usage and reduced emissions in production.



To gain a more complete understanding of the key factors influencing environmentally mindful purchases, respondents also answered questions about their purchase intentions and attitudes towards environmental sustainability. The main issues examined included:

- || **Environmental awareness and concern** General beliefs about the impact that human behaviour has on the environment, extent to which the environment can tolerate human behaviour and what may happen in the future if human behaviour does not consider the environment.
- || **Environmental locus of control** Degree to which a person feels they can make a difference to the state of the environment through their own pro-environmental behaviour.
- || **Environmental consequences and Individual consequences** Extent to which a person is concerned about the consequences of their consumption purchases for the environment and for themselves personally.
- || **Values** The three specific values considered were:
 - || **Self-transcendence** – values that motivate people to transcend selfish concerns in order to promote the welfare of others.
 - || **Conservation** – values that aim to preserve the current order of things and the certainty of existing relationships.
 - || **Self-enhancement** – values that motivate consumers to pursue avenues that enhance their own personal interests such as ambition, pleasure and social recognition.

Key findings

Results from the online survey confirmed the following:

Consumer values and attitudes towards the environment

- Overall 75.6 per cent of respondents were aware of and concerned about environmental issues and 91.2 per cent believed that their own pro-environmental behaviours can make a difference.
 - Respondents who cared about the environment tended to be guided by self transcendence values of equality, helpfulness, forgiveness and loving.
- Unlike past research, in which environmentally friendly products were perceived as inferior to non-environmentally friendly alternatives (Luchs et al 2010), results of this study showed 89.3 per cent of respondents had a positive perception of product performance for consumer electronic goods that incorporate environmental features.
- While attitudes towards products and brands with eco-features were in general very positive, awareness was much lower with only 55.4% of respondents aware of such products and brands.
- Unexpectedly, even those respondents who were more concerned about how their purchases affected their own individual situation still had positive attitudes towards purchasing eco-friendly products.
 - This suggests that concern for the environment has become infused in many purchase decisions and despite a strong focus on the consequences for one's own situation, many consumers still intend to purchase eco-friendly products.

Drivers of eco-friendly purchase behaviour

- Similar to previous studies in sustainability, while respondents indicated they intended on purchasing eco-friendly products, a relatively weak link between intention and actual purchase decision existed.
 - Purchase intention for products with eco-features was mainly driven by
 - concern for the consequences of the purchase on the environment,
 - awareness of environmental issues and
 - the belief that an individual's behaviours can have an effect on the environment.

- Although many respondents preferred products with eco-features, brand and price were much more important when it came to actual purchase decision.
 - Brand and price accounted for 38–46 per cent of buying behaviour.
 - Eco-features account for approximately 11–20 per cent of buying behaviour.
- Purchase behaviour varied depending on product category.
 - In general respondents gave greater consideration to environmental factors when purchasing air conditioners and washing machines than televisions and cameras.
 - For air conditioners and televisions intent to purchase an eco-friendly product was related to a decrease in purchase decision based on price, indicating that consumers will pay more for these eco-friendly products.
 - Respondents' environmental locus of control and concern about environmental consequences of their purchase were weakest for cameras.

Trends in relation to product category and respondent demographics

Air conditioners Around 35 per cent of respondents placed a high importance on brand and eco-features with a much lower importance on price. This group had a higher concentration of females compared to males, a larger proportion from the 35 to 54 age bracket with household income at either end of the scale, \$20,000 to \$40,000 and above \$100,000.

Washing machines Again approximately 35 per cent of respondents had high concerns for brand and eco features. This group had a higher concentration of males compared to females, a fairly even spread across age groups apart from the 18 to 24 age bracket and the majority above \$100,000 household income bracket.

Televisions 21 per cent of the respondents placed the highest importance on eco-features. This group had a relatively even male/female, tended to be older with most over the age of 45 years and households with incomes less than \$60,000 on average.

Cameras 17 per cent of respondents had a high interest in eco features. This group consisted of more males than females, tended to be older with higher household incomes.

Discussion

Overall, the findings of this study confirm that the overwhelming majority of consumers value the environment and are concerned about the impact of our consumption behaviour. Many also believe that an individual's behaviours can and do have an effect on the environment. While consumers have positive attitudes towards purchasing products with eco-features and no longer think "green" products are inferior, many still lack information regarding brands that are "eco-friendly" and organisations that are committed to environmentally responsible manufacturing.

When it comes to actual purchase, brand and price are still the key factors influencing consumer purchase decisions. Consumers indicate that they favour products with eco-features, but most products contain a complex bundle of parts with environmental features just one of many to consider. At present consumers do not associate many products and brands as "eco-friendly". In fact, much of the marketing emphasises the negative impact of products on the environment – for example, air conditioners and the black balloon campaign. This negativity and lack of consumer awareness is an opportunity for organisations serious about environmental issues to invest in their brand positioning and market communication.

An area not specified in this report, which could positively influence purchase intention, is the manufacturing footprint of a product. As organisations seek new ways to reduce the environmental impact of their production, the benefits of these initiatives need to be better understood by consumers and to become concrete drivers of consumer behaviour. Much of consumer decision making is currently based on only the impact of the product in use, not back down the value chain to manufacture, nor forward to the recycling of the product once it is no longer functioning.

Organisations along with government across multiple product and service categories have a significant challenge still to address in educating consumers, and in changing consumer behaviour. Investments made by manufacturers to conserve resources and reduce the environmental impact of their activity will pay few dividends if consumers are not aware of the organisations that do invest to reduce resource consumption.



This raises a number of questions:

- How and by whom should these messages be developed and disseminated?
- What source will be credible and compelling for consumers to the extent it drives behaviour change?
- Should industry collaborate in developing these messages to educate consumers?
- What is the role of government?
- How do organisations effectively communicate to the consumer the imperative of making purchase decisions based upon the lifecycle of the product, not simply the period of their usage?

SOURCE

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